

## EPA Greenhouse Gas Tailoring Rule

### General Considerations for Wood Energy Projects in Montana

(Prepared by Julie Kies, MT DNRC, 12/7/10)

EPA issued rules in early August 2010 and then, guidance in November 2010, that will phase in permitting requirements for greenhouse gas emissions (GHG) from the nation's largest stationary GHG emitters (ie. power plants, oil refineries, cement plants and other industrial facilities). The new rules will be implemented in multiple steps and may include smaller emission sources in the future. **Interested parties are encouraged to contact DEQ Air Permitting Program individually about planned projects and questions**, as air permitting is a detailed process and there are still uncertainties as it relates to the GHG tailoring rule.

- 1) Montana is not undertaking a rule-making. This is occurring at the federal level with the EPA.
- 2) It is still uncertain what changes we'll see for wood biomass energy facilities at all variety of scales in Montana (from schools to industry and utility-scale). More guidance and information from air regulators is expected in January/February 2011.
- 3) In the annual US inventory of GHG emissions and sinks, EPA recognized the potential role of biomass energy in reducing GHGs, reporting that the forestry sector, "including those stationary sources using biomass for energy...is a net carbon sink". EPA plans to provide further guidance on how to consider the unique GHG attributes of biomass as fuel including in terms of the BACT (Best Available Control Technology) analysis and whether or not they will allow separate carbon accounting rules for different types of biogenic feedstock.<sup>1</sup>
- 4) PSD and Title V permits issued already existing major stationary sources on or after January 2, 2011 must address GHG emissions. This is the first step of the new rules.
- 5) New sources subject to air quality permitting because of new GHG rules won't be subject to permitting requirements until July 2011, but will have one year to submit a Title V permitting application (July 2012).
- 6) No sources would be subject to air quality permitting requirements due solely to GHG emissions until July 2011.

For parties or facilities that are either 1) currently in the process of building or installing a wood-fired energy system within the next 6-8 months, or 2) looking at purchasing an existing facility, you are encouraged to talk with DEQ Air Permitting staff about your individual project. DEQ staff can provide early guidance on the initial steps of the air permitting program that may inform your project development—prior to engaging in the longer permitting process that your project may/may not be subject to.

---

<sup>1</sup> [http://www.eenews.net/assets/2010/11/10/document\\_gw\\_04.pdf](http://www.eenews.net/assets/2010/11/10/document_gw_04.pdf)